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News Release

FOR IMMEDIATE RELEASE

**LOTUS DEVELOPMENT CORP. REPORTS
\$53 MILLION SALES FOR 1983**

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CAMBRIDGE, MA., Feb. 10, 1984 -- Lotus Development Corporation, producer of the "1-2-3"™ integrated software program for personal computers, today reported net revenues of \$53 million and income before extraordinary item of \$13.7 million, or \$.98 per share, for 1983, its first full year of operation.

Net income for the year was \$14.3 million, or \$1.02 per share. Net income for the year included an extraordinary gain of \$600,000 or \$.04 per share, for the utilization of a net operating loss carry-forward.

For the fourth quarter ended Dec. 31, 1983, Lotus reported net income of \$6.8 million, or \$.43 per share, on net revenues of \$23.9 million.

Lotus, founded in April 1982, began shipping its business productivity product, 1-2-3, in January 1983; therefore, no meaningful basis of comparison exists for revenues and net income prior to 1983.

The company made an initial public offering of 2,990,000 shares of common stock in October 1983. At the time, Lotus reported for the nine months ended September 30, 1983, income before extraordinary item of \$6.9 million, or \$.52 per share, and net income of \$7.5 million, or \$.56 per share, on net revenues of \$29.1 million.

(more)

Mitchell D. Kapor, President of Lotus, said the results for the company's first year reflect the strong market acceptance of Lotus' introductory product, 1-2-3, a software package that allows business people to maximize productive use of personal computers.

"1-2-3 has done extraordinarily well for many reasons," said Kapor. "Foremost is that we identified essential customer needs and then developed the software to meet these needs. And, just as importantly, we created the marketing programs to assure widespread awareness and availability, including comprehensive dealer and customer support."

During 1983 Lotus established nationwide distribution in retail computer stores, and the Lotus Corporate Accounts Program was formed to service major accounts. 1-2-3 is also marketed through value-added-resellers and hardware manufacturers.

"In 1984, our management team will continue its product development efforts and broad-based marketing thrust both in the U.S. and internationally," Kapor said.

(more)

Lotus designs, produces and markets productivity software for use on a variety of desktop and portable computers. 1-2-3 fully integrates the essential business functions of spreadsheet analysis, information management, and graphing into one powerful package. 1-2-3 currently is available for over ten personal computers, including the IBM® Personal Computer and PC XT™, the COMPAQ™ Portable and PLUS, the Texas Instruments Professional Computer, Digital Equipment Rainbow 100 and 100+, Wang Professional and the Hewlett Packard HP150.

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™1-2-3 is a trademark of Lotus Development Corp.

®IBM is a registered trademark of International Business Machines

™XT is a trademark of International Business Machines

™COMPAQ is a trademark of COMPAQ Computer Corporation

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Lotus Earnings

STATEMENT OF OPERATIONS (In thousands, except per share data)

	<u>Three Months Ended</u> Dec. 31, 1983	<u>Twelve Months Ended</u> Dec. 31, 1983
Net revenues	\$23,903	\$53,006
Income before provision for income taxes and extraordinary item	13,545	27,432
Provision for income taxes	6,772	13,715
Income before extra- ordinary item	6,773	13,717
Extraordinary item*	--	600
Net income	6,773	14,317
Net income per share:		
Income before extra- ordinary item	\$0.43	\$0.98
Extraordinary item	--	\$0.04
Net income	<u>\$0.43</u>	<u>\$1.02</u>
Weighted average common shares and share equiva- lents outstanding	15,875	14,057

* Utilization of a net operating loss carry-forward

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